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April 16, 1997

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APR 16 1997

Federal Communications Commission
Office of Secretary

BY HAND DELIVERY

William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C., 20554

Re: **Ex Parte IB Docket No. 96-111; Public Notice Report No. IB 97-10**

Dear Mr. Caton:

On behalf of ABC, Inc., CBS Inc., National Broadcasting Company, Inc., and Turner Broadcasting System, Inc., I enclose for inclusion in the above-referenced docket two copies of a written presentation filed in response to a April 7, 1997 Public Notice (Report No. 97-10) soliciting comments on the effect of the recent World Trade Organization (WTO) agreement on the rules and policies proposed in the above-captioned proceeding.

Please call the undersigned if you have any questions.

Sincerely,



Randolph J. May

Enclosure

cc: Public File, Office of the International Bureau Chief,
Satellite Policy Branch
Suzanne Hutchings, International Bureau
James Taylor, International Bureau

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WTO and DISCO II

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Views of ABC, Inc., CBS Inc.,
National Broadcasting Company, Inc. and
Turner Broadcasting System, Inc.
in response to Public Notice Report of No. IB 97-10

Federal Communications Commission
Office of Secretary

ABC, Inc., CBS Inc., National Broadcasting Company, Inc. and Turner Broadcasting System, Inc. (collectively, "the Networks") hereby respond to the Commission's April 7, 1997, Public Notice Report No. 97-10 soliciting public views on the impact of the recent agreement on basic telecommunications services in the World Trade Organization ("WTO") on the rules proposed by the Commission in IB Docket No. 96-111 ("DISCO-II") regarding the entry of foreign-licensed satellites in the U.S. market.

The Networks commend the U.S. Government for its leadership role in negotiating the WTO agreement on basic telecommunications services. Actual implementation of the offers by those WTO members committing to open their satellite markets effective either January 1998 or on a phased-in basis will create substantial public interest benefits, including increased facilities-based satellite competition, enhanced customer choice and increased service innovation. Completion of the WTO negotiations, however, does not modify the Networks' partial opposition to the Commission's proposed DISCO II policy.

In DISCO II, the Commission proposes to establish an effective competitive opportunities for satellites ("ECO-Sat") test under which non-U.S. satellite systems will be able to provide satellite services to, from, or within the United States only to the extent that foreign countries allow effective competitive opportunities for U.S.-licensed satellite systems to provide analogous services in their markets. In Comments and Reply Comments filed

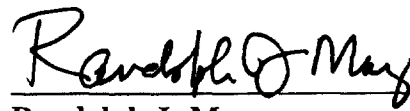
July 15 and August 16, 1996, respectively, in the DISCO II docket, the Networks urged the Commission not to apply the ECO-Sat test to fixed-satellite services used for the origination and distribution of international video programming materials, including especially international occasional use video transmission services.

In their comments, the Networks explained that, to fulfill their international newsgathering and programming missions, they require the ability to transmit video and associated audio programming from anywhere to anywhere on short notice at a reasonable cost, using whatever transmission capacity is reasonably available at the time. For their overseas video transmission requirements, the Networks rely exclusively on satellite technology (primarily, on the satellite facilities of non-U.S.-licensed operators such as INTELSAT) because fiber optic cables do not yet constitute a meaningful competitive alternative to satellites for transoceanic video service for cost, connectivity and operational reasons. Of course, it is impossible to predict where and when the next newsworthy international event will occur.

Therefore, as a practical matter broadcast and cable organizations cannot provide television coverage of fast-breaking news or other special events on a timely basis if, as the Commission proposes in DISCO II, they first are required to compile the legal and other information necessary to apply for ECO-Sat authority for a particular non-U.S.-licensed satellite and wait for the Commission's approval of its application. For that reason, and the reasons set forth more fully in the Networks' DISCO II Comments and Reply Comments, the Networks continue to urge the Commission not to apply the ECO-Sat test to international video transmission services, and especially not to occasional-use services, but to allow

broadcast and cable organizations to use any non-U.S. satellite to transmit their international video programming materials. The WTO agreement in no way requires that the Commission apply an ECO-Sat reciprocity-type procedure to non-U.S. satellites used for video transmission services. Indeed, the market liberalization commitments of the U.S. and other countries in the context of the WTO agreement appears to render the proposed ECO-Sat test unnecessary.

Respectfully submitted,

A handwritten signature in cursive script, reading "Randolph J. May", is written over a horizontal line.

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April 16, 1997

Their Attorneys